



GARY R. HERBERT  
Governor

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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

August 26, 2015

#### CERTIFIED RETURN RECEIPT

7013 3020 0002 3659 5804

Brett Nielsen  
Whitaker Construction Company Inc.  
P.O. Box 430  
Brigham City, Utah 84302

Subject: Review of Reclamation Surety, Whitaker Construction Company, Inc., Herriman Pit, S/035/0044, Salt Lake County, Utah

Dear Mr. Nielsen:

The last reclamation cost estimate for the Herriman Pit mine was calculated in 2010 and escalated to 2015 dollars, with an escalation due date of June 7, 2015. The surety amount needs to be adjusted to account for changes in reclamation costs. In addition it has been noted that the current disturbance is 9.5 acres (see Figure 1). According to rule R647-1-106 a small mine operation "... means mining operations which have a disturbed area of five or less surface acres at any time in an incorporated area of a county. ..."



Figure1. Google Earth image shows total disturbed area for the Herriman Pit mine to be 9.5 acres.

You may either reclaim the Herriman Pit mine down to five acres, or submit a Notice of Intention to Commence Large Mining Operations (LMO). Please submit the following as an interim



Brett Nielsen  
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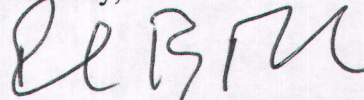
reclamation surety until either the LMO is received or the area has been reclaimed back to five acres. Based on average reclamation costs, the surety amount needs to be increased from \$29,100 to \$60,500 for a three-year escalation (until 2018) or \$61,700 for a five-year escalation (until 2020), as shown below.

<b>Interim Bond Over 5 Acres Bond Calculation Worksheet S/035/0044</b>			
<b>3-year escalation (2018)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
6th Acre Disturbance	1	\$37,300.00	\$37,300.00
Add'l Acres Disturbance	4	\$5,800.00	\$23,200.00
Mob/demob 51-100 miles	0	\$2,800.00	\$0.00
Mob/demob 101-150 miles	0	\$5,500.00	\$0.00
Mob/demob 151-200 miles	0	\$8,100.00	\$0.00
<b>TOTAL</b>			<b>\$60,500.00</b>
<b>5-year escalation (2020)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
6th Acre Disturbance	1	\$38,100.00	\$38,100.00
Add'l Acres Disturbance	4	\$5,900.00	\$23,600.00
Mob/demob 51-100 miles	0	\$3,300.00	\$0.00
Mob/demob 101-150 miles	0	\$6,500.00	\$0.00
Mob/demob 151-200 miles	0	\$9,800.00	\$0.00
<b>TOTAL</b>			<b>\$61,700.00</b>

Please contact the minerals bond coordinator, Penny Berry, at 801-538-5291 or by e mail at [pennyberry@utah.gov](mailto:pennyberry@utah.gov) for information about submitting the additional surety. Your current bond is a surety bond with Western Surety. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

Please provide the additional surety on or before September 14, 2015, and submit an LMO by January 4, 2016. In lieu of a LMO perform the reclamation no later than November 2, 2015. Thank you for your help in keeping the surety current. Please contact Leslie Heppler at 801-538-5257 or me at 801-538-5261 if you have questions regarding this letter. In reply please refer to file number S/035/0044.

Sincerely,



Paul B. Baker  
Mining Program Manager

PBB:mbt:pb

cc: Tshafer@SLCO.org bthomas@herriman.org

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